

## REMARKS

This amendment is responsive to the Office Action mailed August 4, 2006. Claims 1-92 and 98-128 are pending in the application. Claim 1 has been amended. Claims 112-128 have been added.

The Office Action rejected Claims 1-18, 20-41, 43-65, 67-81, 89-92, 104-108 and 111 under 35 U.S.C. 103(a) as being unpatentable over Wallman (US 6,601,044). Claims 19 and 66 were rejected as being unpatentable over Wallman as applied to Claims 15 and 62, in view of Korhammer (US 6,278,982). Claim 42 was rejected as being unpatentable over Wallman as applied to Claim 40, in view of Minton (US 6,014,643). Claims 82-85 were rejected as being unpatentable over Wallman as applied to Claim 1, in view of Gutterman (US 5,297,031). Claims 87 and 88 were rejected as being unpatentable over Wallman in view of Jain (US 6,343,278). Claims 98-103 were rejected as being unpatentable over Wallman as applied to Claim 1, in view of May (US 6,317,727). Claims 109 and 110 were rejected as being unpatentable over Wallman in view of "More" (article). Applicant has carefully considered the cited art and the comments provided in the Office Action. In view of the amendment to Claim 1 and the remarks provided herein, applicant requests withdrawal of the claim rejections and allowance of the application.

### Patentability of Claim 1

For convenience of examination, amended Claim 1 is repeated as follows:

1. A method for enabling an order to interact with at least one market process, comprising:  
  
configuring a trading process in accordance with the order,  
  
wherein the order identifies an item for trading,

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automatically performing, at the trading process, market discovery according to a discovery strategy selected from a plurality of discovery strategies by a user, wherein the discovery strategies are configured to obtain market information for the item in the order according to different discovery methodologies, and

automatically acting upon the order at the trading process according to an action strategy selected from a plurality of action strategies by the user,

wherein the at least one market process and the trading process are software programs operative on the same trading platform,

wherein the item for trading is identified in the order prior to automatically performing said market discovery, and

wherein said automatically acting upon the order at the trading process is undertaken after automatically performing said market discovery.

The disclosure of Wallman does not teach or suggest all of the elements of Claim 1. Wallman provides a system that is directed to help individual or "small" investors define and execute an individual investment portfolio. After the investor's portfolio is defined, the investor can save costs by having trades aggregated with trades of other investors for combined execution. By aggregating one investor's trades with other investors' trades, the system enables an investor to invest a small amount of money (such as \$100 per month, see Col. 20, line 14) while still achieving the benefits of having risk spread across a portfolio of securities. See Col. 20, line 63 to Col. 21, line 20.

In one aspect, Wallman does not disclose the claim element of "automatically performing, at the trading process, market discovery according to a discovery strategy selected from a plurality of discovery strategies by a user, wherein the discovery strategies are configured to obtain market information for the item in the order according to different discovery methodologies."

With respect to this element, the Office Action quoted Wallman at Col. 30, lines 32-40. This passage, however, does not teach "performing...market discovery according to a discovery strategy selected from a plurality of discovery strategies by a user," as claimed. At best, this passage teaches a process of providing an investor with suggested portfolios that reflect different investment strategies. According to Wallman, a recommended portfolio may reflect a specified stock selection strategy (such as selecting the ten underperforming stocks of the Dow, or stocks selected by a particular analyst, magazine or other publication, or from a selected organization or through other collaborative techniques). However, specifying a *stock selection* strategy (e.g., according to risk, value, market capitalization, etc.) is not the same as selecting a strategy for performing market discovery.

This element of Claim 1 is further distinguished by stating "the discovery strategies are configured to obtain market information for the item in the order according to different discovery methodologies." Wallman does not teach this feature.

Indeed, the Office Action conceded that Wallman does not explicitly state that market discovery is performed. To cure this deficiency, the Office Action suggested "that if an investor would like information on the trading price or a suggested portfolio based on a selected strategy as taught by Wallman, that some type of market discovery or research into the price of the security must be performed." Despite the fact that conducting "some type of market discovery" requires conjecture, the suggestion in the Office Action makes it clear that Wallman does not

teach a plurality of discovery strategies "configured to obtain market information for the item in the order according to different discovery methodologies."

In contrast, the present application describes multiple discovery methodologies from which a user can select. For example, in addition to querying current market data (i.e., at a formal market), another discovery methodology includes obtaining price information from an informal market that is not subject to government trading regulation (see, e.g., page 24, lines 4-7 of the present application). Another discovery methodology involves sending a trial order to a market and receiving information reporting how the trial order would have been paired had it been a regular tradable order (see, e.g., page 27, lines 1-20). Yet another discovery methodology may obtain order depth information at a price other than the current posted market price (see, e.g., page 80, lines 9-13). Another discovery methodology may send an inquiry to a market to discover whether there is a contra-party trading process interested in trading the item (see, e.g., page 117, lines 20-31). Still another discovery methodology provides a price inquiry to a market to have the market obtain a crowd price improvement over the current posted market price (see, e.g., page 29, lines 14-30).

Claim 1 has also been clarified to distinguish over the stock picking process taught by Wallman by reciting the element of "configuring a trading process in accordance with the order, wherein the order identifies an item for trading... wherein the item for trading is identified in the order prior to automatically performing said market discovery." The Office Action contended that Wallman's process of suggesting stock portfolios constitutes the claimed market discovery. However, according to Claim 1, the item for trading is identified in the order *prior to* automatically performing said market discovery.

Claim 1 also recites "automatically acting upon the order at the trading process according to an action strategy selected from a plurality of action strategies by the user, ...wherein said

automatically acting upon the order at the trading process is undertaken after automatically performing said market discovery," which is not taught or suggested by Wallman. According to Wallman, after a portfolio is selected, the investor must provide further input to the system to implement the portfolio and place an order for the securities in the portfolio.

The Office Action cited Wallman at Col. 11, lines 31-38, and Col. 44, lines 57-63. At best, Wallman discloses a process of aggregating trades of multiple investors after each of the investors has determined their individual portfolio. Wallman, however, does not teach or suggest each and every feature of Claim 1, and thus cannot support a *prima facie* rejection of Claim 1 under 35 U.S.C. 103(a). Claim 1 should be allowed.

Patentability of Claims 2-92 and 98-111

Claims 2-92 and 98-111 incorporate all the features of Claim 1 and thus should also be allowed, at least for the same reasons as Claim 1. In addition, applicant submits that Claims 2-92 and 98-111 are also patentable for the additional subject matter they recite, which is not taught or suggested by the prior art.

For example, Claims 4 and 45 recite "wherein the discovery strategy [or action strategy] is defined by setting parameters independently of the parameters set for other trading processes that interact with the at least one market process." While the Office Action discussed parameters in Wallman (Col. 29, lines 50-57) that reflect stock selection preferences (volatility, risk, required rate of return, etc.), the Office Action did not identify parameters defining a discovery strategy [or action strategy], much less "setting parameters independently of the parameters set for other trading processes."

As to Claims 9 and 15 (and similarly to Claims 27, 28, 47, 48, 56, and 62), Wallman does not explicitly state that market discovery is performed (as acknowledged in the Office Action), much less market discovery that depends on characteristics of the order [or market process], as

claimed. An investor's desire to invest in "big companies", as cited in Wallman at Cols. 17-18, speaks to stock selection characteristics desired by the investor, not characteristics of an order or market process.

As to Claims 10, 11, 57, 58, the Office Action pointed to a portion of Wallman where it states that "options" can equally be the subject of trading. Acknowledgment of conventional options trading does not constitute disclosure of a *short term* option request or exercise (see, e.g., page 26, lines 9-13 of the present application) where short term options were not in the state of the art at the time the present application was filed. Additionally, as to Claim 80, Wallman's reference to conventional options trading and to aggregating orders of different investors for joint execution does not constitute disclosure of "obtaining a short term option for at least one of the individual orders in the linked order". In the present application, a linked order is a series of orders having "legs" that are executed as a single order if the conditions for each leg are met. (See, e.g., page 8, lines 6-19). The foregoing discussion is also applicable to Claims 13, 14, 60, and 61.

As to Claims 12, 21, 22, and 59, the Office Action referred to Wallman at Col. 16, lines 2-20; Col. 18, lines 13-16; Col. 30, lines 32-46; Col. 13, lines 20-38, and Cols. 26-27. These passages notwithstanding, applicant respectfully submits that Wallman does not teach or suggest a "trial order" or "sending a trial order to a market" as claimed. Transmitting actual trading pricing information as taught by Wallman does not constitute sending a trial order to a market as taught and claimed in the present application. Moreover, a "proposed portfolio" is not a trial order that is sent to a market, as claimed. For additional background on trial orders in the present application, see, e.g., page 27, lines 1-20.

As another example, regarding Claim 20, the Office Action cited Wallman at Col. 11, lines 53-64 and Col. 26, lines 1-9, but these passages suggest nothing about "market discovery

[that] discovers order depth information at a price other than the best price." The disclosure at Col. 26, lines 1-9 does not teach that a security can be bought or sold based on criteria other than price, as suggested on page 25 of the Office Action. Rather, this passage merely states that an investor may pick stocks to create portfolio based on multiple criteria. Stock selection is a prerequisite to buying or selling.

The Office Action also cited Col. 26, lines 1-9, as allegedly teaching the elements of Claims 23-24, but this passage suggests nothing about "automatically receiving a new contra-side best market price in advance of other market participants while the condition at the market process is satisfied" or "the condition is providing the best market price for a side of the market," as claimed.

As to Claims 26, 29, 30-35, 46, 49, 50 and 55, applicant has carefully considered the comments in the Office Action but does not find that Wallman teaches what is claimed. More specifically, Wallman does not teach or suggest a discovery strategy or an action strategy having "a decision table having rules, each rule having at least one condition and at least one action to be taken when the condition is satisfied," along with further elements of a decision table, as claimed. The "tables" mentioned at Col. 20, line 38, are not decision tables having rules. Rather, the referenced tables merely correlate percentage allocation in different investment types with specified investment interests. The series of rules referenced in Col. 39 (see especially lines 24 to 28) do not specify conditions and resultant actions that are taken if the conditions are satisfied. Rather, the rules are configured to pick stocks by correlating an investor's investment objectives with appropriate securities (long term, high yield, etc). The foregoing discussion is also applicable to Claim 39.

As to Claims 36 and 53, the reference in the Office Action to affinity group investing disclosed in Cols. 39-40, especially Col. 39, lines 55-60, does not constitute an "action...to

request information from an order room" as a result of processing a rule condition in a decision table, as claimed.

As to Claims 37 and 38, the Office Action referred to Wallman at Col. 22, paragraph 5. However, this passage says nothing about "automatically performing market discovery [that] reveals that a contra-party trading process is interested in trading an item, and wherein the automatically acting includes sending a trading proposal to the market process for forwarding to the contra-party trading process" nor anything about "sending an inquiry to the market process to discover whether there is a contra-party trading process interested in trading the item," as claimed. This passage merely states that orders of different investors can be netted against each other, and remaining orders that cannot be matched are executed at a market (either internal or external). Contrary to the suggestion on page 26 of the Office Action, neither trade execution and netting trades, nor sending an order to buy or sell a security for execution at a market constitutes a trading proposal in the context claimed.

Claims 40 and 41 depend from Claim 37. Applicant has studied Wallman, especially at Col. 26, line 46 to Col. 27, line 28, and does not find disclosure "wherein the trading proposal specifies a choice of negotiation methodology" and "the negotiation methodology is selected from personal negotiation, direct negotiation via a computer system, and brokered negotiation."

As to Claims 43 and 44, the Office Action cited Wallman at Col. 11, lines 46-65. However, this citation is misplaced. Aggregating buy and sell orders of different investors for joint execution teaches nothing about an order book with crowd price improvement methodology. For additional background on price improvement using a crowd, see, e.g., page 29, lines 14-30 (during discovery) and page 30, lines 1-30 (during execution).

As to Claims 51 and 52, the use of a decision table to determine an action to take when notice of a price improvement opportunity is received is nowhere taught or suggest by Wallman,



notwithstanding the citation of the large passage at Col. 11, line 53 to Col. 17, line 33 and Col. 26, line 65 to Col. 28, line 9. Moreover, the element "wherein the at least one action is to transfer to another rule" is not taught in Cols. 26-28 of Wallman.

The Office Action referred to the Abstract of Wallman as teaching the elements of Claims 67-68, but applicant disagrees. It is not apparent what "relationship between the trading process and the market process" is found in Wallman.

As to Claim 70, the passage at Col. 28, lines 11-37 says nothing "wherein posting the order includes providing discretion level information indicating data about the order that can be provided to other trading processes using the market process."

As to Claim 71, the passage at Col. 33, lines 44-54 says nothing "wherein posting the order includes providing an order tail indicating the markets at which the order is posted."

As to Claims 72-75, applicant has studied the passages at Col. 43, lines 44-48; Col. 11; Col. 22, paragraph 5; Col. 26, line 65 to Col. 28, line 9 and does not find disclosure of all the elements of these claims, including a "market process request[ing] affirmation of availability before executing the order" or a "market process provid[ing] a selected order handling feature" that is chosen from "discretion level matching, providing a first look, and contra-party preference updating." For additional background in the present application, see, e.g., page 7, lines 6-14 (order handling feature); page 30, line 25 *et seq.* (discretion level matching); page 32, lines 14-18 (first look); and page 31, line 13 to page 32, line 13 (contra-party preference updating).

The discussion above of linked orders with regard to Claim 80 and to Claim 13, 14, 60 and 61 is similarly applicable to Claims 76-79. Wallman does not teach anything suggesting linked orders. Aggregation of orders from multiple users in the context taught by Wallman does not constitute a linked order as described and claimed in the present application. In the present application, a linked order is a series of orders having legs that are executed as a single order if

the conditions for each leg are met. (See, e.g., page 8, lines 6-19). The additional elements set forth in Claims 76-79 are also not taught by Wallman.

Applicant further submits that affirmation of availability of shares as set forth in varying language in Claims 86 and 89-92 is not taught by Wallman, nor does Wallman teach a decision table having rules, in the context set forth in Claim 105.

As to Claim 106, Wallman does not teach "registering in a crowd of the at least one market process, automatically receiving notice of an opportunity to improve upon a book price, automatically determining whether to improve upon the book price, and automatically providing a crowd price that improves the book price when the determination is positive." See the remarks above relative to Claims 43-44. Similarly the method of Claim 106 "wherein the automatically determining is in accordance with a decision table" (Claim 107) and "wherein the automatically determining includes requesting an instruction from a user" (Claim 108) are not taught by Wallman.

As to Claims 19 and 66, the Office Action referred to Korhammer at Col. 7, lines 6-13 as supplying disclosure that is missing from Wallman. However, this citation to Korhammer is misplaced. Providing a terminal that displays price information from multiple ECN's teaches nothing about an order book with a crowd price improvement methodology, as described and claimed in the present application. For additional background on price improvement using a crowd in the present application, see, e.g., page 29, lines 14-30 (during discovery) and page 30, lines 1-30 (during execution).

Regarding Claims 82 and 85, the Office Action referred to Gutterman at Col. 2, lines 11-24 as supplying disclosure that is missing from Wallman. Applicant respectfully disagrees. Gutterman's disclosure of liquidating positions within seconds or minutes of entering the transaction only suggests quick buying and selling. It does not suggest that a conventional

option, as indicated in Wallman, would be modified to provide an option term that is less than one minute or less than one second, as claimed in the present application.

As to Claims 87 and 88, applicant respectfully submits that the disclosure of Jain is not availing to overcome the failure of disclosure in Wallman. Jain's canceling of orders under an order limit does not constitute canceling affirmed shares or an instruction to cancel affirmed shares, as claimed in the present application. Such canceling in the present application is particularly used when representing an order in multiple markets. See, e.g., the use case in the present application beginning at page 100, line 11.

As to Claims 98-103, applicant has considered the disclosure in May and submits that the credit eligibility data, as taught by May, is used for credit screening, which accomplishes a different purpose than the trading preference data taught and claimed in the present application. See, e.g., page 31, line 13 to page 32, line 13 of the present application.

Lastly, as to Claims 109 and 110, the basic principle of supply and demand taught in the "More" article ("as either supply shrinks or demand rises, a price will go up") is insufficient to cure the deficiency in Wallman. The Office Action conceded that Wallman failed to disclose "wherein the order is associated with a liquidity curve, and automatically acting includes posting the order to the at least one market process that determines a premium offered or demanded for the order at a particular price based on the liquidity curve and that pairs the order in accordance with its premium" and "wherein the market process determines the premium when the order is posted thereto." Applicant submits that the combination of Wallman and "More" still fails to set forth a *prima facie* case of obviousness of Claims 109 and 110.

Accordingly, for the foregoing reasons, applicant submits that Claims 2-92 and 98-111 are in allowable condition.

Patentability of New Claims 112-126

For convenience of examination, new Claim 112 is repeated as follows:

112. A method for enabling multiple orders of a user to interact with at least one market process, comprising:

configuring multiple trading processes, wherein each trading process is configured in accordance with an order in the user's multiple orders, and wherein each order identifies at least one item for trading;

automatically performing, at each trading process, market discovery according to a discovery strategy selected from a plurality of discovery strategies by the user, wherein the discovery strategies are configured to obtain market information for the item in the order according to a different discovery methodologies, and

automatically acting upon the order at each respective trading process according to an action strategy selected from a plurality of action strategies by the user,

wherein the at least one market process and the multiple trading processes are software programs that are separately executable and are operative on the same trading platform.

Applicant has studied the Wallman, Korhammer, Minton, Gutterman, Jain, and May patents, as well as the "More" article, and respectfully submits that new Claim 112 is in condition for allowance. Support for new Claim 112 is found throughout the specification, including page 3, line 30 to page 4, line 29; page 7, line 1 to page 10, line 15; page 45, line 17 *et seq.* (for order ELF setup); and page 56, line 9 *et seq.* (for order ELF operation). The elements recited in Claim 112 are neither taught nor suggested in the prior art.

Additionally, Claims 113-116 incorporate all the features of Claim 112 and thus should be allowed at least for the same reasons as Claim 112. Applicant submits that Claims 113-116 are also patentable for the additional subject matter they recite, which is not taught or suggested by the prior art, including:

- wherein an action in each of the action strategies is conditionally taken based on market information obtained from automatically performing said market discovery (Claim 113);
- wherein the discovery strategy and action strategy for each trading process are selected by the user prior to automatically performing said market discovery (Claim 114); and
- wherein the different discovery methodologies include at least two of obtaining price information from an informal market that is not subject to government trading regulation, sending a trial order to the at least one market process and receiving information reporting how the trial order would have been paired had it been a regular tradable order, obtaining order depth information at a price other than the current posted market price, sending an inquiry to the at least one market process to discover whether there is a contra-party trading process interested in trading the item, and providing a price inquiry to the at least one market process to have the market process obtain a crowd price improvement over the current posted market price (Claim 115); and
- wherein the at least one market process and the multiple trading processes are software programs that exist independently of each other (Claim 116).

Claims 117-121 are directed to a computing system and are allowable for reasons similar to those given above with respect to Claims 112-116. Likewise, Claims 122-126 are directed to

a computer-accessible medium and are allowable for reasons similar to those given above with respect to Claims 112-116.

Patentability of New Claims 127-128

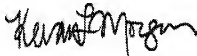
New Claims 127 and 128 are respectively directed to a computing system and a computer-accessible medium, and include elements similar to Claim 1. For the same reasons given above with respect to Claim 1, Claims 127 and 128 are also patentable over the prior art. Allowance of Claims 127 and 128 is requested.

CONCLUSION

The application is in condition for allowance. Withdrawal of the claim rejections under 35 U.S.C. 103(a) is respectfully requested. Should any issues remain needing resolution prior to allowance of the application, the Examiner is invited to directly contact the undersigned counsel by telephone.

Respectfully submitted,

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